

Message Text

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PAGE 01 BRUSSE 14196 201204Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 EA-12 FRB-01 INR-10 NEA-10 NSAE-00
ICA-20 OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01 OMB-01
SS-15 /123 W

-----114786 210514Z /23

R 201202Z JUL 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 7978
INFO ALL EC CAPITALS
USMISSION GENEVA

UNCLAS BRUSSELS 14196

USEEC

PASS AGRICULTURE ELECTRONICALLY
PARIS ALSO FOR USOECD
GENEVA ALSO FOR USMTN

E.O. 11652: N/A
TAGS: EAGR, EEC
SUBJ: EC SUGAR EXPORTS

REF: BR 13973

1. ON WEDNESDAY, JULY 12, THE EC'S MARKET MANAGEMENT COMMITTEE FOR SUGAR APPROVED ITS FINAL EXPORT SUBSIDY FOR SURPLUS SUGAR FROM ITS 1977/78 BEET CROP. TENDERS WERE APPROVED FOR 25,000 TONS OF WHITE SUGAR WITH A MAXIMUM EXPORT SUBSIDY FIXED AT 26.493 U.A. PER 100 KGS. NEW PARTIAL INVITATIONS TO TENDER FOR 1978/79 CROP WHITE SUGAR WILL BEGIN ON JULY 26; HOWEVER, TRADERS WILL BE ABLE TO EXPORT 1978/79 WHITE SUGAR PRIOR TO SEPTEMBER 15, 1978.

2. BIDS FOR RAW SUGAR WERE ALSO EXAMINED AT THE WEDNESDAY
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MEETING, BUT NO TENDERS WERE AWARDED BECAUSE THE EXPORT SUBSIDIES REQUESTED, ACCORDING TO COMMISSION OFFICIALS, WERE ALL HIGHER THAN THE MAXIMUM SET BY THE COMMISSION. FOLLOWING THE MEETING, THE MANAGEMENT COMMITTEE (IN COMMISSION REGULATION NO. 1644/78) INTERRUPTED THE STANDING INVITATION TO TENDER FOR RAW SUGAR PROVIDED FOR IN REGULATION NO. 1790/77, DUE TO INADEQUATE SUPPLIES. PROSPECTS

FOR REOPENING RAW SUGAR TENDERS WILL BE REEXAMINED IN THE FALL IN LIGHT OF ESTIMATES FOR 1978/79 BEET CROP. DURING THE 1977/78 SEASON, EXPORT SUBSIDIES GENERALLY RANGED FROM 22-25 U.A./100 KGS FOR WHITE SUGAR AND BETWEEN 19-22.5 U.A./100 KGS FOR RAW SUGAR.

3. ACCORDING TO EC OFFICIAL EXPORT REFUNDS WERE PAID ON A TOTAL OF 2.763 MILLION METRIC TONS OF SUGAR (REFINED BASIS) DURING THE 1977/78 MARKETING SEASON (JULY 1, 1977 - JUNE 30, 1978) ON SUGAR EXPORTED UNDER TENDER, INCLUDING APPROXIMATELY 2.42 MILLION METRIC TONS OF WHITE SUGAR. LESS THAN 2,000 METRIC TONS OF SUGAR RECEIVING EXPORT SUBSIDIES WERE EXPORTED OUTSIDE OF THE TENDER SYSTEM. SUCH EXPORTS ARE NORMALLY TRANSPORTED OVERLAND IN VERY SMALL AMOUNTS TO NEIGHBORING THIRD COUNTRIES. IN ADDITION, AROUND 780,000 METRIC TONS OF "C" SUGAR (REFINED BASIS) WERE EXPORTED LAST SEASON. SUGAR PRODUCED OUTSIDE OF THE MAXIMUM QUOTE ("C" SUGAR) IS NOT ELIGIBLE FOR EXPORT SUBSIDIES.

4. OFFICIAL DID NOT KNOW HOW MUCH OF THE SUGAR EXPORTED BY EC DURING 1977/78 SEASON WAS ACTUALLY DESTINED FOR THE UNITED STATES. SUCH INFORMATION, HE SAID, WOULD ONLY BE AVAILABLE THROUGH INDIVIDUAL MEMBER STATES. ACCORDING TO EXPORT STATISTICS FURNISHED TO ISA, EXPORTS TO U.S. (RAW VALUE) IN CALENDAR YEAR 1977 TOTALED 49,000 METRIC

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TONS. SAME STATISTICS SHOW EC EXPORTS TO U.S. OF 17,000 (1976), LESS THAN 1,000 (1975 AND 1974), 4,000 (1973), 21,000 (1972), 77,000 (1971), 92,400 (1970). OFFICIAL EXPLAINED THAT ACTUAL EXPORTS COULD VARY FROM FIGURES INDICATED ABOVE BECAUSE EXPORTERS OF "C" SUGAR ARE NOT OBLIGATED TO INDICATE DESTINATION ON EXPORT LICENSE, AND ACTUAL DESTINATION FOR ALL EXPORTED SUGAR COULD BE CHANGED AFTER VESSEL HAS LEFT PORT. HINTON

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Disposition Approved on Date:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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